

---

**DVBE Instructions / Forms**

---

**Disabled Veteran Business Enterprise Participation (DVBE) Information**

**DVBE Definition  
(for this  
document only)**

- A California firm whose ownership, daily management, and operational controls meets all statutory DVBE certification requirements, as documented by the possession of a certification letter issued by the Department of General Services, Office of Small Business and DVBE Certification [OSDC] (hereafter referred to as DGS).

**California  
Requirements**

- The State of California requires a three percent (3%) participation level in state contracts to further disabled veteran business enterprise (DVBE) participation in California.
- Only DVBEs, possessing a current DVBE certification issued by DGS, may be claimed for participation. Over 600 DVBE firms are presently certified.
- Effective January 1, 2004, legislation was enacted to require all small business, microbusinesses, and disabled veteran business enterprises to perform a “commercially useful function” in any contract they perform for the State.

A business that is performing a commercially useful function is one that does all of the following:

1. Is responsible for the execution of a distinct element of the work of the contract.
2. Carries out its obligation by actually performing, managing or supervising the work involved.
3. Performs work that is normal for its business, services and function.
4. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

---

**CDHS Rights /  
Requirements**

- Unless DVBE participation is exempted by the California Department of Health Services (CDHS), a 3% DVBE participation level is required for all service contracts with a total value of \$10,000 or more.
- CDHS reserves the right to exempt any contract from DVBE participation when it is determined to be in the Department’s best interest to do so.
- CDHS reserves the right to waive DVBE participation requirements at any time prior to the bid/proposal submission deadline. Said waivers may be announced by way of a faxed or written correction notice, administrative bulletin, or bid document addendum.

**For answers  
or help, dial:**

**(916) 650-0205**

- CDHS reserves the right to waive “Good Faith Effort” advertising when CDHS believes that bidding time lines do not permit sufficient advertising.
- CDHS reserves the right to contact bidders/proposers during the bidding/evaluation process to collect clarifying information or to request corrections, as necessary, to DVBE documentation.
- **The accompanying instructions must be strictly followed.** Failure to do so may be grounds for bid/proposal disqualification.

**Dial (916) 650-0205, if you have a question or need help.**

---

**Participation  
Requirements  
of this  
Solicitation**

- Each prime contractor must either achieve 3% DVBE participation **or** demonstrate that an adequate “Good Faith Effort” (GFE) was made to achieve DVBE participation.
  - Firms submitting bid responses with either less than 3% DVBE participation **and/or** a less than adequate GFE, will be deemed nonresponsive and ineligible to receive a contract award.
-

## DVBE Instructions

### How to Calculate 3% Participation

Unless instructed otherwise in the bid document, first determine the total dollar value/amount that will be bid, then multiply this figure by 3% to determine how much of the contract budget should be spent on DVBE supplied services, labor, supplies, materials, or equipment.

### How to Meet Participation Requirements

1. ***If the prime contractor IS a DVBE***, commit to use your own workforce alone or in combination with other DVBEs to perform commercially useful functions equal to no less than 3% of the contract bid amount. If this fits your firm's situation, do the following:

Go to page 5. On the form entitled "**Actual DVBE Participation**", list your firm's name, the name of other participating DVBEs, complete all items, and attach a copy of the DVBE certification issued by DGS to your firm and all other participating DVBE firms.

**OR**

2. ***If the prime contractor IS NOT a DVBE***, it must commit to use or subcontract out an amount equal to 3% of the total contract bid amount to qualified DVBE service providers and/or suppliers that will perform a commercially useful function. If this fits your firm's situation, do the following:

Go to page 5. On the form entitled "**Actual DVBE Participation**", list each proposed subcontracted DVBE, complete all items, and attach a copy of each subcontracted firm's current DGS issued DVBE certification.

**OR**

3. ***If the prime contractor IS NOT a DVBE, and the bid document is solely soliciting electronic data processing (EDP), information technology (IT), and/or telecommunications services, goods, supplies, equipment, and/or EDP and/or telecommunications services***, do the following:

Submit a copy of your firm's "Notice of Approved DVBE Business Utilization Plan" issued by DGS' Procurement Division (PD).

**Business Utilization Plans, when allowed, must be submitted to DGS' (PD) prior to the bid/proposal submission deadline and must be subsequently approved.** Business Utilization Plans may not be submitted in lieu of actual DVBE participation or in lieu of performing the DVBE good faith effort process for construction or non-EDP or non-IT service contracts.

Obtain instructions and information about Business Utilization Plans from:

Department of General Services – Procurement Division  
Small Business and DVBE Services Branch  
707 Third Street, 1<sup>st</sup> Floor, Room 400  
West Sacramento, CA 95605

or by calling:

DGS' Receptionist at (800) 559-5529 or (916) 375-4940

or by visiting this DGS website: <http://www.pd.dgs.ca.gov/publications/utilization.htm>

**OR**

4. ***Conduct all five (5) steps of the "Good Faith Effort (GFE)"*** process to show what efforts were made to achieve DVBE participation. If your firm is not a certified DVBE or your firm cannot achieve a full 3% DVBE participation level of the total contract bid amount, do the following:

Go to page 3. Follow the instructions for each of the 5 good faith effort steps. Document your firm's GFE efforts on the form entitled "**Good Faith Effort**" appearing on pages 6 & 7.

*Start right away,  
do not delay.*

## DVBE Instructions

GFE Steps /  
Instructions

**Document your GFE efforts on the form in this package entitled "Good Faith Effort".**

*Do not delay until the final days before your bid is due to start this process.*

*These five steps may require 4 weeks or more to complete.*

1. Dial (916) 650-0205, the CDHS Contract Management Unit voice mail telephone line, to obtain:
  - a. A referral to another state agency that provides a list of DVBE firms, publication resources, or other information.
  - b. Assistance in completing the DVBE forms in this package.
  - c. Answers to questions about DVBE participation and/or GFE documentation requirements.
2. Contact other state AND federal agencies AND local DVBE organizations for assistance in identifying potential DVBE service providers or suppliers.
  - a. Contact one or more California state agencies. DGS' Office of Small Business and DVBE Certification (OSDC) qualifies as one of these contacts. Dial a DGS' operator at (800) 559-5529 or (916) 375-4940; or call DGS' 24-hour telephone recording line at (916) 322-5060. Visit <http://www.pd.dgs.ca.gov/publications/resources.htm> to obtain the current DVBE Resource Packet. To download a complete list of all certified DVBE firms, visit: <http://www.pd.dgs.ca.gov/smbus/sbdvbelist.htm>.
  - b. Contact one or more local California DVBE organizations listed in the DVBE Resource Packet.
  - c. Contact the Department of Defense Central Contractor Registration (CCR) for a listing of potential DVBEs via the following Internet site: <http://www.ccr.gov/>. The SBA will not accept telephone inquiries. Before using a DVBE firm referred by the Federal SBA to meet goal participation, verify the named DVBE is registered with DGS as a certified California DVBE.
  - d. Enter on the form entitled "**Good Faith Effort**": Date/time of contact; name of organization contacted; contact method; and telephone number, email, or Internet address. Print out and attach a copy of each Internet website page visited (e.g., DGS' OSDC and federal SBA) to prove contacts made via the Internet.
3. Unless GFE advertising is waived by CDHS due to time constraints, advertisements for DVBE service providers, subcontractors or suppliers must be placed in at least:
  - a. One "trade" publication related to a trade or industry, and
  - b. One "focus" publication whose ads are specifically distributed and focused to reach DVBE firms, or
  - c. A single publication that qualifies as both a "trade" and "focus" publication. See DGS' DVBE Resource Packet for a listing of applicable publications.
    - 1) Ad placement may be specifically directed to publications that distribute their ads to businesses in the geographical areas where the work will be performed.
    - 2) **Ads should appear in publications 10–14 calendar days** prior to the date your bid or proposal response is due to be submitted to CDHS. Ads for CDHS procurements do not need to be publicized for any specific length of time.
    - 3) Give potential subcontractors/suppliers ample time (i.e., no less than 3-5 working days) to respond to the ad(s), while allowing sufficient time to seriously consider each firm that submits a response.
    - 4) **Ads should contain** information similar to the following:
 

[Enter your company name]  
Is seeking qualified DVBE vendors to provide  
[Enter description/list of services/supplies, etc.]  
in [Enter geographical service areas/locations, if applicable]  
for CDHS IFB/RFP [Enter CDHS IFB/RFP number and/or Project Name]  
Contact: [Enter a name, address, telephone and fax number, and/or email ID]  
Submit qualifications by: [date/time] or  
Submit bids by: [date/time]
    - 5) Ads placed in general circulation newspapers including the *LA Times* or the *Sacramento Bee* are not acceptable.

(Continued on next page)

## DVBE Instructions

**GFE Steps /  
Instructions**  
(continued)

*Document your  
GFE efforts on the  
form in this  
package entitled  
“Good Faith  
Effort”.*

*Do not delay until  
the final days  
before your bid is  
due to start this  
process.*

*These five steps may  
require 4 or more  
weeks to complete.*

*Participation and  
GFE forms appear  
in the pages that  
follow.*

6) If GFE advertising was not waived by CDHS, attach to the form entitled “**Good Faith Effort**” appearing on pages 6–7, either a copy of the placed ad(s) or a written description citing the exact wording of the ad(s). Indicate, in Step 3 on the Good Faith Effort form, the publication date, whether the publication is a trade publication, focus publication, or both, and whether an ad copy or written ad content is attached.

**4. Transmit direct solicitations or invitations to bid to potential DVBEs, identified in Steps 2 and/or 3, by way of mail, telephone, email, fax, or other method.**

- a. At a minimum, submit a **single sample** of one direct solicitation.
- b. If contact with DVBE firms was by telephone, document in writing the conversation, date of contact, person contacted, and business opportunities discussed.
- c. Submit a list of the DVBE firms to whom your firm transmitted direct solicitations (i.e., DVBE bidders list). Include each DVBE firm’s name, mailing address, telephone number, and email address.

**5. Show that the interested DVBE firms that responded to your ad(s) and/or direct solicitations were considered.** Bidding firms are strongly encouraged to achieve full or partial DVBE participation, when performing the GFE process.

- a. List each DVBE firm that responded to your ad(s), telephone/fax/email contacts, or direct solicitations, if any. If no responses were received, indicate “none”, as instructed in Step 5 on page 7.

**b. For each DVBE listed in Step 5 on page 7, indicate if your firm:**

- 1) **WILL USE** the DVBE to perform a commercially useful function for a specific percentage amount of your bid. For each firm that will be used, do the following:

Enter the name of these DVBEs on the form entitled “**Actual DVBE Participation**”. Indicate whom the DVBE will contract with, the commercially useful function the DVBE will provide or perform, the claimed percentage of use, and the contracting tier. Attach, to Page 5, a copy of the DVBE’s current certification issued by DGS.

- 2) **WILL NOT USE** the DVBE after giving consideration to such things as the DVBE’s qualifications, availability when needed, capacity to perform/deliver, location or proximity to the service area, results of reference checks, and/or the nature of the services offered by the DVBE or the nature of the goods that can be supplied by the DVBE, etc.

For each DVBE firm that will not be used, indicate, in Step 5 on page 7, the business reason(s) for choosing not to use the DVBE.

**Use of Proposed  
DVBEs**

If awarded the contract, the Contractor must faithfully use each DVBE proposed for use and listed on the form entitled “**Actual DVBE Participation**”. Exceptions are only allowed if the Contractor submits a Request for Substitution to the Contract Manager of the CDHS funding Program and that request is subsequently approved by CDHS.

Substitution request submission instructions appear in the “Special Terms and Conditions” exhibit clause entitled “Use of Disabled Veteran Business Enterprises”. A copy of this exhibit is attached to the bid document and/or will be attached to the resulting contract.

## Actual DVBE Participation

NAME OF DVBE FIRM PROPOSED FOR USE (Prime is to enter its own name, if the Prime is a certified DVBE)	FIRM THAT DVBE WILL CONTRACT WITH (Prime is to enter "Self", if the Prime is a certified DVBE)	COMMERCIALLY USEFUL FUNCTION TO BE PERFORMED OR PROVIDED BY A DVBE	DVBE % Claimed	TIER (See legend below)

**DVBE % Claimed:**

Enter the percentage level of actual DVBE participation met, regardless of whether or not the participation achieved equals a full three percent (3%) of the total bid amount. **Participation may be expressed as a partial/fractional decimal percentage.** Do not enter dollar figures in the "DVBE % Claimed" column. The budget sheets, if required, that are submitted in your proposal when responding to an RFP should include the DVBE service providers identified above, unless the bidding firm is uncertain of the budget period in which the DVBE will be used.

**TIER =**      **0** = Prime Contractor              **1** = Subcontractor/Supplier to the Prime              **2** = Subcontractor/Supplier to Level 1  
**3** = Subcontractor/Supplier to Level 2, etc.

**Attach to this form, a copy of the current DVBE certification** issued by DGS for each DVBE listed in the first column. If a new or renewed certification request was recently approved by DGS, but confirmation of DVBE certification has not yet been received, place a footnote next to the DVBE's name and indicate on this form "DVBE Cert Pending" or "DVBE Cert to Follow".

Unless specifically indicated in the bid document, CDHS will not accept state or federal business utilization plans in lieu of meeting DVBE participation and/or GFE requirements when CDHS is solicits bids/proposals from firms to perform non-IT services.

***This form may be photocopied or reproduced in a like form for inclusion in a bid response.*** Bidding firms that choose to render a like copy of this form by computer or other means are advised to omit pages 1–4 that contain instructions.

Please do not return or include in the bid response, a copy of the DVBE instructions preceding this form.

Bidding/Proposing Firm's Name	Signature
Printed Name/Title of Person Signing Above	Date Signed

**Good Faith Effort****Steps 1 and 2**

Show the date and method of contact with CDHS **and** show the contacts made with one or more other California state agencies **and** the Federal SBA **and** one or more California local DVBE organizations (see DGS' Resource Packet).

DATE OF CONTACT	TIME OF CONTACT	NAME OF AGENCY OR ORGANIZATION CONTACTED	CONTACT METHOD (Enter voice mail, internet access, or name of person contacted)	PHONE NUMBER, E-MAIL, OR WWW ADDRESS
		California Department of Health Services		(916) 650-0205
		Dept. of General Services' Small Business and DVBE Certification	Voice mail	(916) 375-4940 or (800) 559-5529
		Dept. of General Services' Small Business and DVBE Certification	Internet access **	http://www.pd.dgs.ca.gov/smbus/contact.htm
		Dept. of Defense Central Contractor Registration (CCR)	Internet access only **	http://www.ccr.gov
			** Attach one copy of each Internet website page that you visit as proof of this portion of your good faith effort.	

**Step 3**

Show proof of advertising in one trade and one DVBE focus publication, **OR** one publication qualifying as both a trade and a DVBE focus publication. Be certain to attach the appropriate ad copies or other cited documentation.

NAME OF PUBLICATION SOURCE	PUBLICATION DATE(S)	TYPE OF PUBLICATION Check the one that applies.			COPY OF AD ATTACHED	AD CONTENT ATTACHED
		Trade	Focus	Both	Check the one that applies.	

**Step 4**

Show proof that direct invitations to bid were transmitted to potential DVBEs by way of mail, telephone, personal e-mail, fax, or other method.

- A. At a minimum attach, to this form, at least one **single sample** of an invitation to bid or solicitation that was transmitted directly to potential DVBEs. You may attach:
- One copy of a letter used to solicit bids from potential DVBEs, **or**
  - One copy of the narrative content of an emailed or faxed invitation to bid sent to potential DVBEs, **or**
  - A full description of the verbal dialog with a potential DVBE via telephone or personal meeting, including date of contact, person spoken to, and potential business opportunities discussed.
- B. Attach to this form a copy of the DVBE bidder list. This is the list of certified DVBE firms to whom direct solicitations or invitations to bid were transmitted.
- Include each certified DVBE firm's name, mailing address, email address, telephone and fax number.

(Continued on the next page)

## Good Faith Effort (Continued)

## Step 5

Show that your firm has considered the interested DVBE firms that responded to your firm's ad(s), personal contacts, and/or direct solicitations. If no responses were received from DVBEs, indicate "None" on the first line of Column 1.

NAME OF DVBE(S) THAT RESPONDED (This column is self-explanatory)	INDICATE YOUR PROPOSED USE OF EACH DVBE (Complete the appropriate column below and show percentage use, if applicable)		REASON(S) FOR NOT CHOOSING TO USE THIS DVBE (Enter a business reason for not selecting each firm identified in Column 2B)
	COLUMN 2A Will Use ___ Percent	COLUMN 2B X = Will Not Use	
COLUMN 1			COLUMN 3
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		

## Completion Instructions

For each entry in Column 2A, transfer the firm's name and claimed percentage value to the form entitled "Actual DVBE Participation". Complete Column 2A, only for those DVBEs that your firm fully intends to use. An entry in Column 2A will impose an obligation on your firm to use the DVBE firm shown for the percentage value claimed. **Participation may be expressed as a partial/fractional decimal percentage.**

Place an "X" in Column 2B for each interested DVBE that your firm does not intend to use.

Complete Column 3 for each "X" placed in Column 2B. In Column 3, indicate the business reason(s) for not selecting the DVBE firm.

***If This form may be photocopied or reproduced in a like form for inclusion in a bid response.*** Bidding firms that choose to render a like copy of this form by computer or other means are advised to omit pages 1–6 that contain instructions.

Sole authority rests with CDHS to determine whether or not a bidder/proposer has successfully documented actual DVBE participation and/or whether a bidder/proposer has made an adequate GFE to achieve participation. Bidders/proposers may, at their sole option, choose to submit both forms in this package (documenting both full participation and a GFE) as insurance against a finding that the actual participation claimed is unacceptable.

Should a bidder/proposer choose to do so, it may fax its proposed DVBE participation and/or Good Faith Effort forms to CDHS at (916) 650-0110 for a preliminary acceptance review, prior to submitting these forms in a bid/proposal response. Do not transmit any other bid response materials to this telephone number. CDHS will attempt to complete a preliminary DVBE acceptance review within three (3) working days following the date of receipt.

Bidding/Proposing Firm's Name	Signature	
Printed Name/Title of Person Signing Above	Date Signed	